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11 UNITED STATES DISTRICT COURT  
12 NORTHERN DISTRICT OF CALIFORNIA  
13 SAN JOSE DIVISION

14 In re Application of AIS GMBH AACHEN  
15 INNOVATIVE SOLUTIONS & ABIOMED  
EUROPE GMBH, Petitioners, For an Order  
16 Pursuant to 28 U.S.C. § 1782 to Take  
Discovery for Use in Foreign Proceedings,  
17 Pursuant to the Federal Rules of Civil  
Procedure, of Respondent Thoratec LLC  
18  
19  
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CASE NO. 16-MC-80094-HRL

**THORATEC'S NOTICE OF MOTION  
AND MOTION FOR RELIEF FROM  
NONDISPOSITIVE PRETRIAL ORDER  
OF MAGISTRATE JUDGE**

**NOTICE OF MOTION AND MOTION**

**TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

PLEASE TAKE NOTICE that pursuant to Rule 72(a) of the Federal Rules of Civil Procedure and Civil Local Rule 72-2, Thoratec LLC (“Thoratec”) will and hereby does move the Court for an order setting aside the April, 21 2017 Order by the Magistrate Judge (D.I. 49) requiring Thoratec to produce samples of its HeartMate PHP heart pump product and related hardware and accessories. This Motion is based on this Notice of Motion and the accompanying Memorandum of Points and Authorities, the Declaration of Christian Engelhardt, and the proposed order submitted herewith, all papers and pleadings on file in this action, and such other evidence and argument as may be presented.

## I. PROCEDURAL BACKGROUND

Petitioners AIS GmbH Aachen Innovative Solutions and Abiomed Europe GmbH (collectively “Abiomed”) brought this miscellaneous action under 28 U.S.C. § 1782 against Thoratec, seeking discovery in support of German patent litigation. Abiomed filed voluminous papers on an *ex parte* basis, including a detailed memorandum, a declaration by German counsel, and evidence in support. Abiomed’s application including declarations and exhibits amounted to 341 pages. (Dkt. Nos. 1-3.)

In response to the *ex parte* application, Thoratec requested permission to meet and confer and to be heard, if necessary. (Dkt. No. 14.) The Magistrate did not allow Thoratec to do so, and instead granted Abiomed’s application on an *ex parte* basis. (Dkt. No. 16.) The Magistrate also ordered Thoratec to raise any objections under its Standing Order re Civil Discovery Disputes (*id.* at 2), which among other things limited Thoratec to a 5-page portion of a joint discovery report and prohibited Thoratec from submitting any evidence in response to the application. (Standing Order ¶¶ 2(D)(iii)-(iv) (available at <http://www.cand.uscourts.gov/filelibrary/722/Standing-Order-re-Civil-Discovery-Disputes-3.1.pdf>).)

Ultimately, the issues were presented by way of the required joint discovery report. Thoratec offered to provide declarations and evidentiary exhibits in support of its position. (Dkt. No. 44 at 9 n.10.) However, the Magistrate did not receive any evidence from Thoratec and instead elected to decide the matter on the basis of the joint discovery report.<sup>1</sup> The Magistrate’s decision was based in part on what it found to be a “confusing description” of the underlying German patent proceedings and the lack of “factual support” for the burden imposed upon Thoratec by the proposed discovery. (Dkt. No. 49 at 3, 4.) This entire matter was disposed of without providing Thoratec a chance to submit evidence in support of its positions.

## II. FACTUAL BACKGROUND

Thoratec is the manufacturer of the HeartMate PHP, a catheter-based heart pump that can

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<sup>1</sup> The Standing Order provides that the parties jointly submit an 11-page joint report, which amounts to 5 pages per side in addition to the caption page. Standing Order ¶ 2(D)(iii). In addition to the 11-page joint report on the subpoena (Dkt. No. 44), the parties submitted additional joint reports on related issues. (*See* Dkt. Nos. 45, 46, 47.)

1 be introduced through the femoral artery into the heart, designed to support cardiac function  
 2 during high-risk coronary procedures. Abiomed sued Thoratec in Germany for patent  
 3 infringement. (Engelhardt Decl. ¶ 3.) However, all of the patent claims asserted by Abiomed  
 4 have been found to be invalid. (*Id.* ¶¶ 8-11.) As a result, the German actions have been  
 5 indefinitely stayed. (*Id.* ¶¶ 12-16.) During the stay, the German court will not accept any further  
 6 submissions from the parties. (*Id.* ¶ 17.) Nevertheless, Abiomed pressed on with its discovery  
 7 request.

8 When the German actions were proceeding, Abiomed made no effort to secure discovery  
 9 under German law. (*Id.* ¶ 7.) Several avenues were available to it, including an inspection order  
 10 under Sec. 809 and 810 BGB (German Civil Code). (*Id.* ¶¶ 5-6.) But instead, Abiomed directly  
 11 proceeded in this Court, apparently seeking to take advantage of more liberal discovery  
 12 procedures in the United States.

13 After the Magistrate granted Abiomed's application on an *ex parte* basis, the parties met  
 14 and conferred as required by the Standing Order. Thoratec offered to produce documents that  
 15 provided a detailed description of the design and operation of the HeartMate PHP. It specifically  
 16 identified and described the documents that would have directly addressed Abiomed's articulated  
 17 grounds of relevance. (Dkt. No. 44 at 7.) Abiomed refused Thoratec's offer of documents, and  
 18 instead demanded the immediate production of product samples.

### 19 **III. ARGUMENT**

#### 20 **A. Legal Standards**

21 Non-dispositive pretrial matters may be decided by a magistrate, subject to review by the  
 22 district judge. Fed. R. Civ. P. 72(a); L.R. 72-2. Rule 72(a) requires the district court judge in the  
 23 case to review such nondispositive pretrial orders upon a party's objection, and requires the  
 24 district court to modify or set aside any order found to be "clearly erroneous or contrary to law."  
 25 Fed. R. Civ. P. 72(a).

26 The scope of discovery under § 1782 is not coextensive with ordinary discovery practice  
 27 in the United States. Whether and to what extent discovery is permitted under § 1782 is  
 28 committed to the Court's sound discretion. *Intel Corp. v. Advanced Micro Devices, Inc.*, 542

U.S. 241, 264 (2004). The four “*Intel* factors” the Court must consider before ordering discovery in aid to foreign litigation are: (a) whether the respondent is a participant in the foreign proceeding; (b) the nature and character of the foreign proceedings; (c) whether the request conceals an attempt to circumvent foreign proof-gathering restrictions; and (d) whether the discovery request is unduly intrusive or burdensome. *Id.* at 264-65.

**B. The Magistrate Clearly Erred by Refusing to Allow Thoratec to Offer Evidence in Support of Its Opposition and Deciding this Matter on an Incomplete Record**

Thoratec was not provided a fair opportunity to respond to Abiomed’s 341-page application for discovery. (Dkt. Nos. 1-3.) Thoratec was prohibited from submitting any evidence by the Magistrate’s order and Standing Order (Dkt. No. 16 at 2; Standing Order ¶ 2(D)(iv)), despite requesting an opportunity to do so. (Dkt. No. 44 at 9 n.10.) It is thus no surprise that the Magistrate criticized Thoratec’s position as being “painfully short of factual support” and acknowledged its “lack of knowledge” about the “confusing” status of the German actions. (Dkt. No. 49 at 3, 4.) These conclusions were reached on an incomplete record.

The discovery dispute procedures and Standing Order imposed by the Magistrate may have been suitable for a typical case, where the Magistrate is familiar with the underlying litigation record. But such procedures are ill-suited for a petition that seeks discovery in support of a foreign action, where the only record available to the Magistrate was submitted by an adverse party on an *ex parte* basis. Thoratec was denied an opportunity to develop that evidence. As applied here, the Magistrate’s procedures deprived Thoratec of the opportunity to respond and submit evidence.

**C. The Magistrate Failed to Properly Consider the *Intel* Factors When Granting Abiomed’s Application**

The Supreme Court has definitively set forth four factors that must be considered in exercising the court’s power under 28 U.S.C. § 1782. *Intel*, 542 U.S. 241. In granting Abiomed’s application and ordering discovery, the Magistrate failed to properly consider the controlling *Intel* factors. In fact, the Magistrate’s order did not even acknowledge them. All four *Intel* factors weigh against discovery. It was legal error for the Magistrate to grant

1 Abiomed's application.

2 The first *Intel* factor weighs against discovery because Thoratec is a participant in the  
3 foreign proceeding. (Engelhardt Decl. ¶ 4.) As the Supreme Court explained, when the  
4 respondent is a party to the foreign proceeding, "the need for § 1782(a) aid generally is not as  
5 apparent as it ordinarily is when evidence is sought from a nonparticipant in the matter arising  
6 abroad. A foreign tribunal has jurisdiction over those appearing before it, and can itself order  
7 them to produce evidence." *Intel*, 542 U.S. at 264. Abiomed could not and did not rebut this  
8 first *Intel* factor. It indisputably weighs against discovery, and the Magistrate clearly erred when  
9 he failed to consider this factor.

10 The second *Intel* factor focuses on "the nature of the foreign tribunal, the character of  
11 proceedings underway abroad, and the receptivity of the foreign government, court, or agency to  
12 federal-court judicial assistance." *Id.* Here, all of the underlying German actions have been  
13 indefinitely stayed. (Engelhardt Decl. ¶¶ 12-16.) Thus, the proceedings are neither "underway"  
14 nor is the German court "receptive" to the evidence. Rather, during the stay, any submission by  
15 Abiomed will have "no legal effect," in accordance with Sec. 249(2) ZPO (German Code of  
16 Civil Procedure). (Engelhardt Decl. ¶ 17.) Under nearly identical circumstances, a § 1782  
17 subpoena was quashed by this court in *In re King.com Ltd.*, No. 16-mc-80070-JCS, 2016 WL  
18 4364286 (N.D. Cal. Aug. 16, 2016), when foreign infringement proceedings in Malta were  
19 stayed pending invalidity proceedings. *Id.* at \*9. Stayed proceedings "are not presently  
20 underway" as required by the second *Intel* factor. *Id.* at \*8. The Magistrate thus clearly erred  
21 and misapplied the law by setting the bar too low, granting discovery because the German  
22 actions are not "over finally, completely, and for good." (Dkt. No. 49 at 5.) Such a conclusion  
23 conflicts with *In re King.com* and fails to properly apply the second *Intel* factor.

24 The third *Intel* factor considers "whether the § 1782(a) request conceals an attempt to  
25 circumvent foreign proof-gathering restrictions or other policies of a foreign country or the  
26 United States." *Intel*, 542 U.S. at 265. Abiomed did not take any steps whatsoever to obtain  
27 discovery or product samples in the German actions, despite having the opportunity to do so.  
28 (Engelhardt Decl. ¶ 7.) This failure weighs heavily against granting discovery under § 1782.

1 *See In re Gilead Pharmasset LLC*, No. 14-mc-243 (GMS), 2015 WL 1903957, at \*5 (D. Del.  
 2 Apr. 14, 2015) (petitioner’s “lack of interest in pursuing any discovery under the laws of the  
 3 [foreign] forums [including Germany] indicates an attempt to circumvent those rules.”).  
 4 Moreover, as discussed above, the German proceedings are stayed, and any discovery taken in  
 5 the United States would circumvent German discovery procedures.

6 The fourth *Intel* factor considers the burden of the discovery being sought. The heart  
 7 pumps presently at issue were recently the subject of clinical events that have caused Thoratec to  
 8 pause the use of the pumps to allow time to evaluate and implement any needed corrective  
 9 actions to ensure the safety of its patients. Abiomed’s request for product samples would  
 10 interfere with failure analysis and further testing of solutions to address this issue, and Thoratec  
 11 was prepared to provide the Magistrate with evidence of that burden. The fourth *Intel* factor was  
 12 not properly considered because the Magistrate prematurely concluded that the burden was “less  
 13 plausible” without having received any evidence on the issue. (Dkt. No. 49 at 5.) Furthermore,  
 14 the Magistrate failed to consider less burdensome alternatives, including Thoratec’s offer to  
 15 provide (and Abiomed’s refusal to accept) documents that describe how the accused products  
 16 work. (*See* Dkt. No. 44 at 11.)

17 **D. The Order Should be Stayed Pending Resolution of**  
 18 **Thoratec’s Motion for Relief**

19 The Magistrate ordered Thoratec to produce samples within 10 days of entry of a  
 20 protective order, less than the time provided under the Federal Rule 72(a) and Civil Local Rule  
 21 72-2 for this Court to receive and rule upon a motion for relief from the discovery order. In  
 22 order to provide the Court adequate time to resolve Thoratec’s motion for relief, Thoratec  
 23 respectfully requests that the order be stayed pending resolution and any appeal. As discussed  
 24 above, the German infringement proceedings have been stayed indefinitely. A short stay of the  
 25 discovery order therefore will not prejudice Abiomed.

1 Dated: May 1, 2017

Respectfully submitted,

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